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## **STATEMENT TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA) FORUM**

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This statement is made on behalf of the Initiative for Social and Economic Rights (ISER) on future crisis preparedness.

The IDA remains an important avenue for support to reduce poverty and address inequalities in lower income countries. COVID 19 found many countries unprepared for shocks and already experiencing disasters like floods, landslides and conflict. The abrupt loss of income for many people as a result of government imposed lockdowns meant they had to rely on available public services and government stimulus interventions. Three trends emerged.

### **Underfinanced Public Services**

In many countries, public services, particularly health and education, remain weak as a result of persistent underfinancing. Increasing privatization trends have resulted in governments slowly relinquish their obligations towards providing quality public services.

### **Limited Social Protection**

The majority of low-income countries lack comprehensive social protection systems to cushion those in need. They lack structures to identify the vulnerable resulting in targeted government interventions failing to reach those most in need.

### **Enhanced debt with insufficient access to information and transparency**

To mitigate the economic fallout, many countries had no option but to borrow but this only served to worsen the debt crisis with minimal impact on the ground. Uganda's borrowing increased by 21% in one year to mitigate COVID 19. Limited access to information and transparency meant citizens could not adequately monitor money provided by international finance institutions.

Future crisis preparedness will require the Bank to do the following:

1. Prioritize funding of resilient and equitable public services, particularly health and education;
2. Increase the percentage of grants from the current 26% to save more countries from sinking further into debt and grant debt relief for those in distress;
3. Support countries to develop social protection measures that include unconditional cash transfers, and ensure free, quality health and education are core components of social protection;
4. Support countries to develop comprehensive data and information systems that aid easy identification of the most vulnerable, including prioritization of birth registration;
5. Enable citizen participation by ensuring timely access to information and transparent evaluation of Bank projects.